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TO: Docket Control

FROM: Steven M. Olea  
Director  
Utilities Division

EA 2012 MAY 11 3:45

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

DATE: May 11, 2012

RE: **UPDATE - STERLING PAYPHONES, LLC APPLICATION FOR APPROVAL A CERTIFICATE OF CONVENIENCE AND NECESSITY (DOCKET NO. T-20558A-07-0611)**

On October 19, 2007, James Rappacioli d/b/a Sterling Payphones, LLC ("Applicant" or "Sterling") filed an Application to obtain a Certificate of Convenience and Necessity ("CC&N") to provide customer-owned pay telephone ("COPT") services in Arizona. Staff deemed the Application to be insufficient and sent its First Set of Data Requests to Mr. Rapaccioli on December 12, 2007. The Applicant responded to Staff's data requests on April 18, 2008. Staff has tried numerous times to reach the Applicant by phone, but has been unsuccessful and phone messages have gone unanswered. Because there has been no contact with the Applicant since 2008, Staff is uncertain if the Applicant wants to pursue its Application. On April 2, 2012, the Hearing Division of the Commission issued a Procedural Order requesting that Staff provide an update on this matter no later than May 11, 2012.

On May 8, 2012, Staff sent an Advisory Letter to Sterling which states that Staff has reason to believe Sterling Payphone, LLC, Payphone Manager, Inc. and/or James Rapaccioli may be providing service without first having obtained a CC&N. In addition, the Advisory Letter states that it is Staff's belief that Sterling Payphone, LLC, Payphone Manager, Inc. and/or James Rapaccioli may be in violation of Arizona Administrative Code ("A.A.C.") R14-2-908(A) 1.(a). Staff further indicated that if no response to the Advisory Letter is received on or before May 31, 2012, Staff may recommend that the Commission request all LECs to immediately terminate Public Access Line ("PAL") service to Sterling Payphone, LLC, Payphone Manager Inc., and/or James Rapaccioli pursuant to A.A.C. R14-2-908(A) 1.(a).

EGJ:JFB:lhv

Originator: John F. Bostwick

Arizona Corporation Commission

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